Dear Friends,

At the Robert H. Smith School of Business, we recognize that the role of business is irrevocably changing. Business leaders are increasingly being called upon to redefine success and organizational viability through goals that not only ensure desired business outcomes, but also enable the advancement of the quality of life for stakeholders and society as a whole. We are also seeing exciting innovations in business models and the rise of hybrid organizations as a new kind of entrepreneur takes to the streets to address the world’s most pressing needs.

We believe this is where business is headed and we are investing in this belief with a commitment to inspire a new type of leader. That is why the Smith School launched the Center for Social Value Creation in 2009 – to give our students the hands-on experiences that will help shape them as business leaders for the 21st century.

We recognize that cross-sector collaboration and entrepreneurial thinking is essential for achieving sustainable solutions to social and environmental issues, and that the skills, frameworks and leadership required to do this are different than those historically practiced and taught. We believe that by combining business principles with the best public and social sector practices, we can create value across the economic, social, and environmental spectrum. We also believe that opportunities for innovation through technology and global connectedness have never been greater; and that these innovations will enhance business competitiveness.

These ideals are infused into every aspect of the student experience at the Smith School. Our mission at the Center for Social Value Creation is to build a better world through business principles. I truly believe business has the power to change the world. What is now emergent will soon become business as usual. I hope you enjoy reading about our work in the 2011-2012 Annual Report and I invite you to join our journey.

“The we can no longer afford to separate how we make money from how we do good – we must invest in research, teaching, and practice to demonstrate how economic prosperity and social/environmental well-being can truly be co-created.”

Melissa Carrier, Executive Director
About our Center

The Center for Social Value Creation at the Robert H. Smith School of Business aims to redefine business success. Our goal is to prepare the next generation of business leaders with the skills to recognize and capitalize on opportunities that go hand in hand with today’s social and environmental challenges. We offer real-world learning experience, support ground-breaking research, and build partnerships across sectors enabling students to apply business principles in creative and entrepreneurial ways.

There are three values we hold as foundational to the work we do. These values are entrepreneurial thinking, creating impact-driven opportunities, and facilitating cross-disciplinary collaboration.

The Center is comprised of three full-time staff members that collectively account for more than 25 years of experience in the business, nonprofit, social enterprise, and sustainability sectors.

Our faculty committee contributes to the Center by connecting us to cutting-edge thought leadership from each respective discipline, and helps us integrate content into degree programs and curriculum.

Finally, an advisory board of industry leaders provides guidance and counsel in the strategic direction of the Center, and helps facilitate relations with the business, nonprofit, and public sector communities.

Our mission is to create a better world through business principles, and to prepare Smith students as business leaders able to advance economic opportunity and transformative social change.

CENTER MANAGEMENT

Melissa Carrier, Executive Director
Melissa is responsible for the Center’s strategic direction across curricular and co-curricular programs, research, and career development.

Guillermo Olivos, Assistant Director
Guillermo liaises with partners, focuses on student programs, and oversees experiential learning opportunities.

Kimberlee Robertella, Program Manager
Kim oversees marketing and brand initiatives, plans the Social Enterprise Symposium, and contributes to programmatic expansion related to sustainability.

ADVISORY BOARD

Stanley Litow (Chair)
IBM’s Vice President of Corporate Citizenship & Corporate Affairs / President, IBM Foundation

John Chickering, CRM
Vice President, Fidelity Investments

Lisa Hall
President and CEO, Calvert Foundation

Robert Kashan
Founder and CEO, Earth Color

Alan M. Webber
Founder, Fast Company / Former Editor of Harvard Business Review

Dennis Wraase
Former CEO, Pepco Holdings

FACULTY COMMITTEE

Sandor Boyson, Research Professor & Co-Director, Supply Chain Management Center

Vojislav (Max) Maksimovic, Dean’s Chair Professor of Finance & Department Chair

Shreevardhan Lele, Ralph J. Tyser Distinguished Teaching Fellow, Decision Sciences

Paulo Prochno, Tyser Teaching Fellow and Associate Department Chair, Management and Organization

Stephen Loeb, Ernst & Young Alumni Prof. of Accounting & Business Ethics

Rebecca Ratner, Associate Professor of Marketing
Entrepreneurial Thinking

Addressing social and environmental challenges requires entrepreneurial thinking and new ways of doing business. Learn how five Social Innovation Fellows are taking this on to make an impact.

Social Innovation Fellows Dipti Badrinath, Stephanie Cantor, Abby Murray, Nikita Shenoy and Scott Shuffield are true to their millennial generation character — they didn’t want to choose between an altruistic career path and working for a for-profit corporation. Instead, through an idea born of a classroom project, they united to form their own venture focused on helping companies meet philanthropic corporate goals while connecting with employees on a deeper level. Their venture, named Triple Impact, targets Fortune 500 companies and helps organize employees around global service trips that serve underprivileged communities.

Stephanie Cantor explains, “We formed Triple Impact to benefit three major parties: the individual employee, the corporation, and the community. Our goal is to help companies and other large institutions understand how to connect these three unique bottom lines, by customizing meaningful short-term employee service trips abroad. These trips can assist brand-building in new markets, and there’s evidence that socially conscious programs like ours increase employee engagement and make employees generally happier at work.”

Triple Impact registered as a Benefit LLC earlier this year in the State of Maryland. The designation allows the company the latitude to reinvest in social impact initiatives and pursue a triple bottom line approach to managing their organization.

Entrepreneurial Thinking, Continued

MBA Smith Experience consultants partnered with the City of Baltimore Mayor’s Office of Employment Development to explore the feasibility of an entrepreneurship incubator for rehabilitated citizens.

According to the research and analysis conducted by the team, projected recidivism for EIP ex-offenders would be 9% for the first year, compared to a 24% estimated recidivism rate for the State of Maryland. Projections for years 2 through 5 for the program, combined with a proposed program that scales up over time (from 30 in year 1 to 250 in year 3) produced a substantial difference in expected return to prison for individuals outside of the EIP program versus those participating in the program. This can be seen in the graph to the left.

COST

BENEFIT

ANALYSIS

Estimated Effects of EIP on Participant Recidivism Rates

In the Spring of 2012 a team of MBAs participating in the Smith Experience Social Venture Consulting program worked with the City of Baltimore Mayor’s Office of Employment Development to explore the feasibility of an entrepreneurship incubator for rehabilitated citizens.

Once the report was presented to state and city officials, the City was to the point on their satisfaction. “The students were superlative,” said Gerald Grimes, Project Manager for the Maryland Workforce Reentry. “I know my feedback plays into part of their grade, but seriously, A+. This is more than we could have asked for.”

It is estimated that the net benefit from a MOED-implemented EIP could be $5.653 million after five years operation, directly reaching 880 clients.

Above: students Scott Shuffield, Dipti Badrinath, Abby Murray, Stephanie Cantor, and Nikita Shenoy - all part of the Social Innovation Fellows Program - registered “Triple Impact” as a Benefit LLC in May of 2011.
Entrepreneurial Thinking, Continued

ASHOKA U

The Center for Social Value Creation has a rich tradition of advising aspiring social entrepreneurs both on and off the University of Maryland campus. In 2008 the Center facilitated the selection of the University of Maryland as an inaugural Ashoka “Changemaker Campus.” A global association of leading social entrepreneurs, Ashoka aims to improve the lives of millions by empowering them to create innovative solutions to the world’s challenges. The Ashoka U Terp Changemaker team, comprised of students across University of Maryland campus and led by our Center, works to create, refine, and strengthen social entrepreneurship on campus to help educate and foster new generations of social entrepreneurs for years to come. Through the Ashoka U partnership, and the Center’s extensive network, social entrepreneurs and Ashoka Fellows are often on campus giving lectures, hosting workshops, and engaging with our students.

THOUGHT LEADERSHIP FEATURE:
Madécasse Chocolate

Inefficient ports, tricky trade regulations, rats, bugs, Sub-Saharan heat, corruption, natural disasters, variable quality of raw materials, unreliable electricity...these are among the many logistical challenges that can come into play when producing and exporting finished products from Africa. Yet Madécasse Chocolate has figured out how to overcome these obstacles with such competence that Fast Company named them one of the “50 Most Innovative Companies” of 2011.

They started the company after developing a kinship with the country as Peace Corps Volunteers. Madécasse’s operating principle is, “Why Not?” Why not import an industrial cocoa roaster to a remote island off the coast of East Africa? Why not use local partners to create sustainable packaging for finished products? Why not help cocoa farmers generate four times more income than fair trade cocoa alone? McCollum laughed and shrugged as he described the company’s success represents the real potential for economic development in Africa through the use of natural resources, human talent, and a lot of patience. McCollum’s first-hand account reminded symposium participants that by leveraging business principles it is possible to create sustainable change.

“Why Not?”

Tim McCollum, co-founder of Madécasse Chocolate, shared this story at the 2012 Social Enterprise Symposium in a session titled “Sustainable Chocolate Source.” Widely acknowledged as a superior chocolate source, Madagascar was only exporting raw cocoa before McCollum and his business partner came along.

Impact-Driven Opportunities

The Center is committed to delivering real-world opportunities that bridge theory and practice, at home and abroad.

In the Spring of 2012 the Center for Social Value Creation, in collaboration with the Center for International Business Education and Research (CIBER), the School of Public Policy, the Volunteers for Economic Growth Alliance (VEGA) program of the United States Agency for International Development (USAID), and the International Executive Service Corps announced a summer internship in Sri Lanka.

The internship, a consulting-based opportunity available to University of Maryland MBA and MPP (Masters of Public Policy) candidates, focuses on improving competitiveness and economic revitalization in Sri Lanka. The six selected students consulted with organizations across sectors: a Jesuit Academy, an aquaculture fishery, and a grant-awarding mechanism of USAID. Final recommendations were delivered in the Ronald Reagan Building in Washington DC.

STUDENT SPOTLIGHT: Pooja Mishra is like many MBAs at Smith – she’s smart, motivated, and taking her career in a new direction. Pooja’s passion is social impact. Her vision is to use innovative thinking and venture capital to address many of society’s widespread issues. Pooja channeled this interest into the 2012 Social Enterprise Symposium by developing a panel on “Venture Philanthropy in Education.” Not only was her panel a success, the experience earned her next big opportunity – an internship with a tech startup in K-12 education.

“The main reason for getting this internship was my panel experience with the Social Enterprise Symposium. The knowledge I gained as a panel coordinator was essential to landing and performing well in this role.”

Pooja Mishra, MBA ’13

Excerpts from CVC Blogger, Megan Burkhart, MBA ’13

MPP Candidate Andres Feijoo consults with a student at the Jesuit Academy in Sri Lanka, Summer 2012.
Impact-Driven Opportunities, Continued

THOUGHT LEADERSHIP FEATURE: IBM Takes the Stage

Central to our work at the Robert H. Smith School of Business is a dedication to unique, impactful learning opportunities that connect students and faculty with knowledgeable industry leaders. This past year afforded many such occasions including two exclusive opportunities with executives from IBM.

Stanley S. Litow, IBM Vice President of Citizenship & Corporate Affairs and President of IBM International Foundation, gave the opening keynote to kick off the fourth annual Social Enterprise Symposium on March 1, 2012. Titled “Spare Change to Real Change” the presentation challenged traditional views of corporate philanthropy and CSR, emphasizing the idea that social value creation / sustainability should be central to a company’s long-term strategic planning. Also highlighted was the notion that business must be adaptable to change, yet hold steadfast to core values of trust and personal responsibility.

Cathy Rodgers, one of IBM’s most sought after executives and Vice President for Global Engagement, also joined us this spring for an exclusive presentation at Smith titled “Sustainability and the Creation of Social Value.” Staff and faculty joined Ms. Rodgers for an intimate ‘lunch and learn’ following her presentation, and wrapped up the day with a sustainable campus tour accompanied by three MBA candidates and facilitated by the UMD Office of Sustainability.

Cross-Disciplinary Collaboration

We engage partners across the private, public, and nonprofit sectors, and collaborate with more than forty faculty across multiple disciplines.

Earlier this year the Center collaborated with the College Park Scholars Environment, Technology, and Economy Program, housed within the College of Agriculture and Natural Resources, to address sustainability challenges faced by local nonprofits and social enterprises.

Each organization framed their challenge in terms of a single question as part of the College Park Impact Workshop at the 2012 Social Enterprise Symposium. Workshop participants were guided through a creative problem solving process, led by members of the Smith gold chapter of Net Impact, in effort to help solve the stated challenge.

Following the workshop two College Park Scholar teams spent the remainder of the semester working with the local organizations to compile ideas from the workshop, research their feasibility, and ultimately develop an action plan to move the organizations one step closer to achieving their sustainability goals.

The Center for Social Value Creation, in partnership with the Sustainable Development & Conservation Biology (CONS) Graduate Program, oversees a cross-disciplinary masters level consulting engagement for MBA and MS students interested in solving complex problems at the intersection of business and environmental science.

In the Spring of 2012 three students worked with the University of Maryland Environmental Finance Center (EFC) and the cities of Greenbelt and College Park on an analysis of their green purchasing policies, as part of the Sustainable Maryland Certified Program.

“In every regard we had an excellent client experience. The students did an outstanding job and the final products will be very useful.”

Jennifer Cotting
Assistant Director
Environmental Finance Center
Cross-Disciplinary Collaboration, Continued

THOUGHT LEADERSHIP FEATURE:

The Business Civic Leadership Center (BCLC) is the U.S. Chamber’s leading resource and voice for businesses’ social and philanthropic interests. In partnership with the Center for Social Value Creation, BCLC launched the Business for Good project in effort to create a definitive database for CSR projects globally. Through a multi-modal effort of data collection, the Business for Good project will provide a source of rich information on CSR work that includes project locations, information about the goals of each project, and links to outcomes. The aim of the project is to enrich the academic community and to provide a new resource for business. A comprehensive, rigorous methodology was developed to ensure that data collected could also serve as a resource for research, writing articles, and books. The process of collection involved the self-reporting of company CSR projects, as well as direct collection through the coding of published CSR reports and websites. The Business for Good project was supported by two undergraduate Smith students through a summer internship hosted at the Center for Social Value Creation, and research continues into the FY 13 academic year.

The Center for Social Value Creation places immense value on its partners and client relationships. To date we have actively engaged with 150 nonprofit and for-profit organizations on forward-thinking initiatives including student consulting projects, guest lectures, thought leadership panel discussions, and other research endeavors. The organizations highlighted below reflect a sampling of these collaborative engagements throughout the 2011–2012 academic year.

2011 – 2012 CONSULTING CLIENTS

Advanced Conservation Strategies
Alaska Community Action on Toxics
Arthritis Foundation
Birds Nest Foundation
Carborurg
City of Baltimore
Class Acts Arts
ECO City Farms
EduSerf
Environmental Finance Center
EMvolution
Evacuteer
Goodwill Group Foundation
Incentive Mentoring Program
KaleidoNKS
Kettle Kinship
Network For Good
Palmetto Technology Hub
Pratham USA
PricewaterhouseCoopers
Project Amazonas
Public Leadership Education Network (PLEN)
Southwest Fiber Arts Alliance
Table for Two
Takoma Park Silver Spring Coop
The DC Association of Charter Public Schools
World Resources Institute

Throughout the year we have observed a growing awareness (and in some cases a demand for) socially-conscious business in the marketplace, as well as an increased understanding of social value creation as being strategically relevant to operations and infrastructure. Similarly, headlines from Forbes to TIME to Huffington Post have incited dialogue on topics such as the impact and expectation of Millennials, the influence of social technology on corporate transparency, and questioning the role of innovation in solving problems.

MILLENIAL INFLUENCE

As articulated in a recent TIME article, Millennials have witnessed a barrage of disasters in their lifetime – from political, to natural, to corporate. The effect this has had on them seems to have resulted in an embedded desire to create change and a shared sense of personal responsibility to fix the world’s problems. We see this reflected in the research by Net Impact and Rutgers University released earlier this year. In their study titled Talent Report: What Workers Want in 2012, it is revealed that 65% of MBAs surveyed want to make a social or environmental difference through their jobs – not only that, they expect it. Similar results were echoed by a Deloitte survey that found 70% of young Millennials ages 18 to 26 feel that a company’s commitment to the community influences their decision to seek employment there. As business school educators, it is our utmost responsibility to serve these individuals by providing comprehensive social value perspective in business.

SOCIAL MEDIA & CHANGE

Rising with Millennial expectations is the ever-expanding province of social media. Social media has empowered individuals to instantaneously find and share information and literally influence change – one tweet at a time. As corporations learn to navigate this new fast-paced, interconnected territory there is one thing for certain they can count on, and that is a new level of consumer engagement that mandates increased company transparency. Access to online information has helped inform a culture shift among consumers as well; Landor Associates released a survey this year that found 77% of consumers agree that they want the companies they do business with to be socially responsible. With tools like Twitter and other emerging social platforms, it is safe to say that informed customer decision making is here to stay, and companies will be called to provide even greater transparency in every facet of their business.

INNOVATION & PROBLEM SOLVING

With increased transparency also comes a recognition of problems that can be solved through innovation. The Wall Street Journal challenged readers earlier this year to consider what “innovation” truly means. As referenced within the article, in 2011 alone companies used some form of the word “innovation” more than 33,500 times in annual and quarterly reports filed with the Securities and Exchange Commission. This is a 64% increase from five years earlier. Additionally, over 250 books with “innovation” in the title were published between April and July of 2011, most dealing with business, according to a search of Amazon.com. Forbes went on to elaborate with a similar point, expressing that much of so-called innovation is simply making products, or making products better, but that the world’s most pressing problems cannot be solved in this way. The world’s challenges are tied to systems, and it is these systems and interconnections of existing products and technologies that present opportunities for business through new developments and “system innovations.”
MOVING FORWARD: 2012-2013

The Center for Social Value Creation is always looking ahead. Here are a few things coming in the 2012–2013 academic year:

SOCIAL ENTREPRENEURS IN RESIDENCE

In the Fall of 2012, the Center for Social Value Creation will launch the inaugural Social-Entrepreneur-In-Residence (SEIR) program. SEIRs will assist the Center in delivering on the mission to create a better world through business principles. The SEIRs will spend approximately eight hours a month on site lending individualized expertise to our students, advising on social impact/social enterprise start-up ideas, and guest lecturing in courses at the undergraduate and graduate level.

NEW COMMUNICATION TOOLS

Going into the new academic year the Center will be armed and ready with a suite of new communication tools to reach and connect with our constituents. These include an updated website, a new video podcast series, and a biweekly list serve bringing exciting opportunities, news and updates to our student community.

BUILDING DONOR RELATIONS AND INCREASED FUNDING FOR SOCIAL ENTREPRENEURSHIP

We place tremendous value on our relationships with the external community, and donor support is critical. In the coming year this will remain a focus as we actively seek opportunities to propel the university forward by delivering experiential learning, supporting ground-breaking faculty research, and building new partnerships across sectors.

BY THE NUMBERS

To date CSVC has awarded 12 faculty research awards resulting in the publishing of 5 articles
This year we hosted or co-hosted 177 speakers at 177 events including:
- Social Media for Social Change
- More than Money Career Workshop
- Lunch & Learn with Bangladesh female social entrepreneurs
- The Emerging Markets Forum
- The Social Enterprise Symposium

The Center for Social Value Creation is always looking ahead. Here are a few things coming in the 2012–2013 academic year:

During the 2011-2012 academic year the Center for Social Value Creation secured 50% of its total funding from sources outside of the Smith School. This external funding came from consulting project and event fees, corporate partners and sponsorships, and individual donors and grants. The goal for the coming year is to continue to draw down the level of Smith School support and move toward an increasingly self-sustaining model.

FUNDING

![Graph showing CSVC Growth, 2009-2013](image_url)